



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

March 28, 2005

MEMORANDUM

TO: LME Directors
LME Quality Management Directors
LME Provider Relations Directors
MHDDSA Professional Organizations and Groups
MHDDSA Stakeholders Organizations and Groups

FROM: Mike Moseley

THROUGH: Flo Stein, Chief, Community Policy Management Section

RE: Provider Reports

This memo is to update LMEs on the Division's plans for development of provider reports, as outlined in the goals and objectives for SFY 2004-05 in Chapter 4 of State Plan 2004.

The State Plan calls for provider reports to include information on service access, quality, and effectiveness. This information is essential for guiding an individual's decision about where to obtain services and supports and an LME's oversight of its community of providers. In addition, such information is critical for CFACs, LMEs, and providers to evaluate and improve their service systems.

Reports on provider performance must be developed in a way that produces valid, fair, and defensible comparisons among providers. Comparisons must take into account differences between types of services and populations, if they are to be appropriately interpreted and effectively used for planning and improvements. The Division considers provider reports to fall into three categories:

- **Descriptive profiles**, which compare providers on objective descriptive information and formal evaluations from oversight agencies. These reports assist individuals in making choices about where to obtain services and supports and include items such as hours of operation, current openings, staff demographics, and any formal actions against the provider's licensure or funding.
- **Performance reports**, which compare providers on objective measures of compliance with standardized requirements. Such reports assist LMEs and consumers in evaluating the quality of services and include measures based on the requirements of state and federal rules and



regulations, the LME-Provider Agreement, the Provider Operations Manual, and the Provider Endorsement criteria.

- **Quality reports**, which contain patterns of consumer outcomes, incidents, complaints, satisfaction, and service utilization. These reports compare one particular provider's performance over time to local or statewide averages for similar providers serving similar individuals. They are used internally by LMEs and providers to improve their own service provision.

Measures of performance to be included in these reports must also be carefully and deliberately developed to ensure validity, fairness, and consistency across the state. Great care must be taken to avoid adoption of ill-conceived measures of performance, which can lead to inappropriate evaluations of providers, pressures to under-report problems, and inaccurate conclusions about the effectiveness of particular services or the best ways to improve.

To ensure high quality products, the Division will convene a workgroup for the development of statewide provider reports once the LME-Provider agreement and endorsement policies and procedures are in place. Individuals or agencies that would like to participate in this effort should submit a request to do so by June 30, 2005 via the methods below:

- LME Directors should provide their LME liaison with the names of individuals they would like to include.
- Providers should submit an application to the Voluntary Provider Participation Database. The application form and instructions can be found on the Division's website at <http://www.dhhs.state.nc.us/mhddsas/announce/index.htm>. Providers should submit the application by email to ContactDMHQuality@ncmail.net, indicating interest in "provider reports" in the email.
- An Advocate Participation Database is being developed to accept applications from advocates who would like to assist in this effort. More information on this will be forthcoming.
- Consumers and family members should contact their local CFAC members, who will submit requests for participation to Sandy DuPuy, the State CFAC representative for this project.

Should you have questions, please contact your LME Liaison or Shealy Thompson, with the Quality Management Team at (919) 733-0696 x232.

MM/FS/st

cc: Secretary Carmen Hooker Odom
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